



RMB Tracker

July 2016

RMB Tracker – What is it?

Monthly reporting and statistics on renminbi (RMB) progress towards becoming an international currency.

Press release

20% countries crossing the RMB river

As volumes continue to rise, 11 countries now use the renminbi for at least 10% of their payments with China. Which are they, and where to focus your next business development effort?

13 August 2012

This month's SWIFT RMB Tracker continues to monitor the steady progress of the RMB as international payments currency and takes a closer look at those countries adopting it or yet – the RMB for their payments with China and Hong Kong.

- In July 2012, the RMB moved up one position to 8th most used payments currency with a market share of 2.4% versus 2.4% in June 2012. As per the monthly RMB Tracker, the currency has overtaken the South African Rand, which ranked at 14th, it also gets closer to the Canadian dollar at position #14 with 0.7% market share, one of the countries that had payments with China and Hong Kong in July 2012. 28% of all payments had at least 10% of their payments value in RMB. Strong momentum on the old countries, Singapore and the UK. And also, Canada and Germany show good momentum, whereas Australia by the US, Japan and Australia remains low.

1. RMB moving up one position to 8th

The first graph shows the RMB's market share in July 2011 and July 2012 in customer and institutional payments value to immediate neighbours, the South African Rand (ZAR) and the Canadian dollar (CAD), made to rise #10 with 0.6% market share compared to #9 and 0.3% one year ago. It has overtaken the ZAR remaining at 0.44% market share and getting closer to the CAD with 0.7%.

To be part of the top 10 payments currencies, the RMB market share has to reach 1%. The EUR and USD remain the main top payments currencies with 43% and 31% respectively.

SWIFT RMB Tracker, July 2012

RMB x 17

Value of RMB payments increased 17-fold since October 2010, the most spectacular growth of any major currency.

13 July 2012

This month's SWIFT RMB Tracker takes a look back at the growth of the renminbi for offshore payments since October 2010 when SWIFT began tracking the currency and value of certain messages. Compared to any other top 20 payments currency, RMB had the most spectacular growth and continues its monthly progression.

- Offshore RMB payments grew in value by 17.4 times from October 2010 to June 2012. No other currency has had a steep increase during this period (except payments to/from currencies given by 1.7 times). As a result, RMB jumped from position #10 in October 2010 to #8 in June 2012. One of the most used world payments currencies, RMB is overtaking the South African Rand (ZAR) currency at #10.
- SWIFT also saw a 48% to 56% increase in the number of countries and institutions processing RMB payments from June 2011 to June 2012. Top RMB payments banks increased the number of RMB relationships by 67% in that same period, from an average of 91 to 153 correspondents. Another good indicator for growing international adoption.

1. RMB payments spectacular growth by 17.4 times

This first graph shows the evolution of payment volumes from October 2010 to June 2012. The RMB has gone spectacularly (mostly driven by institutional payments) as its value grew by 17.4 times compared to its increase of 1.1 times for all currencies on average. The only other major currency with a significant increase was the Russian Ruble (RUB), which grew by 3.2 times in that same period.

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SWIFT RMB Tracker, June 2012

The yuan-yen tango

Ample opportunity for China and Japan to promote their domestic currencies for bilateral trade settlement

23 June 2012

This month's SWIFT RMB Tracker takes a closer look at payments between China and Japan, following the start of direct trading between their currencies at the end of May. There is plenty of opportunity for the world's second and third largest economies to promote their respective currencies, thus, curbing the liquidity of payments between them to rely on a third currency, namely the US dollar.

- USD is the most used currency between China/Hong Kong and Japan with a share of 52.4% in customer initiated payments in May 2012. JPY comes second with 43.0%, RMB is third with 1.8%, CNY is fourth with 1.3%, and EUR is the fifth currency with 0.6%.
- May 2012 was a good month for RMB payments overall, with a growth of 10.2% in value versus April 2012. Payments across all currencies grew by 12.1%, meaning its market share is 0.47% (vs 0.4% in April 2012). RMB is still world payments currency #10.

1. USD is still the most used currency between China/Hong Kong and Japan

Our first graph shows that the USD dollar is the most used currency between China/Hong Kong and Japan for customer initiated payments in May 2012, with a share of 52.4%. The second most used currency is the yen with 43.0%. From Japan's perspective, the yen is used in 54.5% of exports to China/Hong Kong payments received by Japan, and 25.0% for imports/payments sent to Japan. Overall, RMB was only used in 1.3% of customer initiated payments between China/Hong Kong and Japan.

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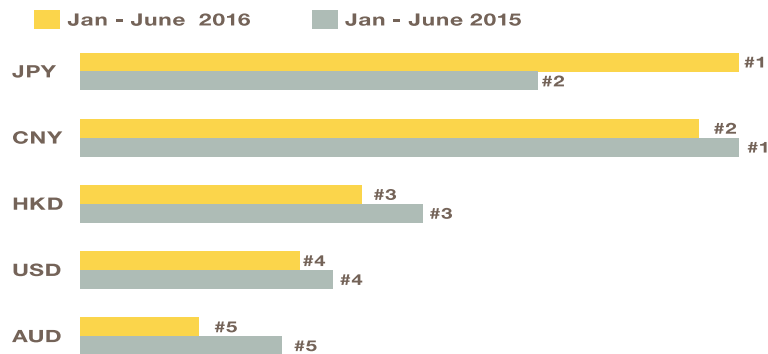
July RMB Tracker:

- Special edition of SWIFT's RMB Tracker, for the SWIFT Greater China Regional Conference 2016, provides data and analysis of the Chinese currency for the first half of the year.
- Data from SWIFT's RMB Tracker for June shows that despite continued growth globally, the Canadian dollar has overtaken the RMB with a 1.96% share of world payments currencies, leaving the RMB at position number six with a 1.72% share. The data marks a gradual, but expected, slowdown for the currency in 2016 as it continues on its path to internationalisation.
- In spite of this trend, and as of June 2016, more than 1,800 financial institutions worldwide are using the RMB for payments (with or without China and Hong Kong), representing a 12% increase compared to the same month last year.
- In the first half of 2016, the Japanese Yen edged past the RMB to become the most active currency within APAC for payments with China and Hong Kong, with a 32.8% share (RMB at 31.2%). New offshore centres have emerged including Seoul and Canada, and the United Kingdom has regained its status as the number one clearing centre after Hong Kong, processing 24.4% of RMB payments, excluding China and Hong Kong.
- As RMB growth is linked to China's economic activity, data suggests that the volatility in the Chinese market and the slowdown of the Chinese economy are likely factors that have impacted offshore RMB usage this past year. On a positive note, key initiatives, such as the progress of China's new Cross border Inter-Bank Payments System (CIPS) and the opening of new offshore clearing centres, sets a solid foundation for future growth.



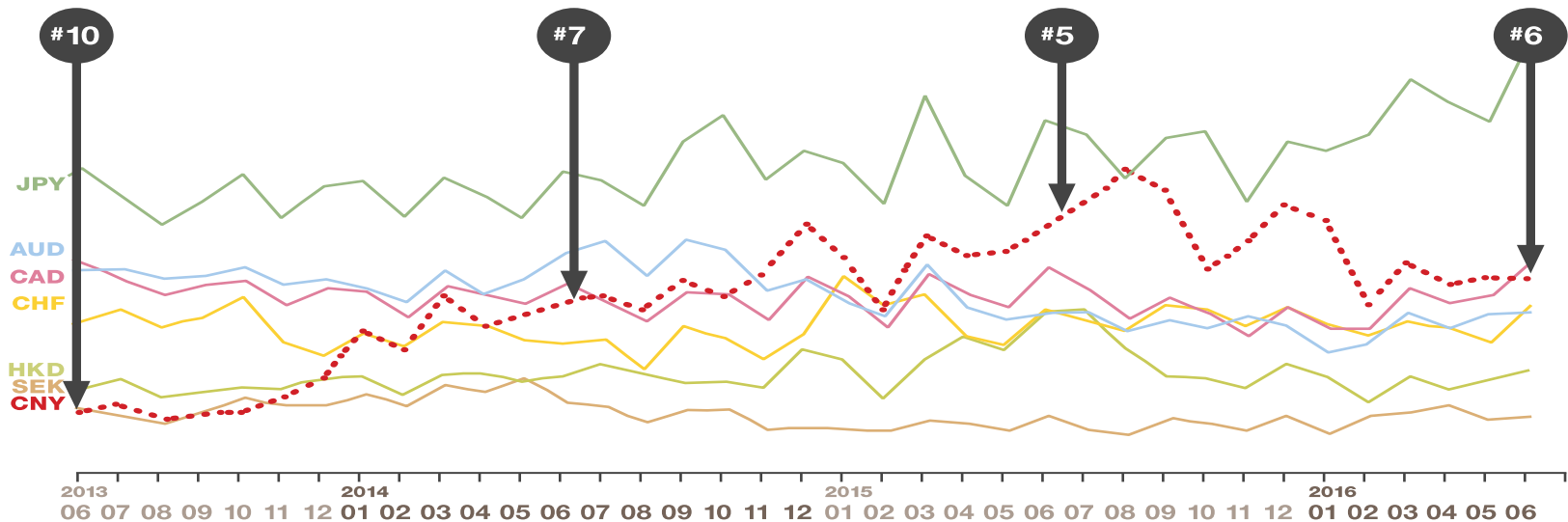
Chinese Yuan back to #6 as world payments currency

Currency weight evolution within Asia Pacific for payments with China and Hong Kong
 Payments sent and received by value, excluding China and Hong Kong.



RMB overtook 7 currencies during last 3 years

Payments sent and received by value, excluding central banks.



RMB as world payments currency

Customer initiated and institutional payments. Messages exchanged on SWIFT. Based on value.

January 2014

USD	#1	38.75%
EUR	#2	33.52%
GBP	#3	9.37%
JPY	#4	2.50%
CAD	#5	1.80%
AUD	#6	1.75%
CNY	#7	1.39%
CHF	#8	1.38%
HKD	#9	1.09%
THB	#10	0.98%
SEK	#11	0.97%
SGD	#12	0.88%
NOK	#13	0.80%
DKK	#14	0.60%
PLN	#15	0.58%
ZAR	#16	0.40%
RUB	#17	0.40%
MXN	#18	0.39%
NZD	#19	0.35%
TRY	#20	0.34%

June 2016

USD	#1	40.97%
EUR	#2	30.82%
GBP	#3	8.73%
JPY	#4	3.46%
CAD	#5	1.96%
CNY	#6	1.72%
AUD	#7	1.55%
CHF	#8	1.52%
HKD	#9	1.09%
THB	#10	1.02%
SEK	#11	0.96%
SGD	#12	0.90%
NOK	#13	0.74%
PLN	#14	0.53%
ZAR	#15	0.45%
DKK	#16	0.40%
NZD	#17	0.38%
MXN	#18	0.37%
TRY	#19	0.33%
CLP	#20	0.29%

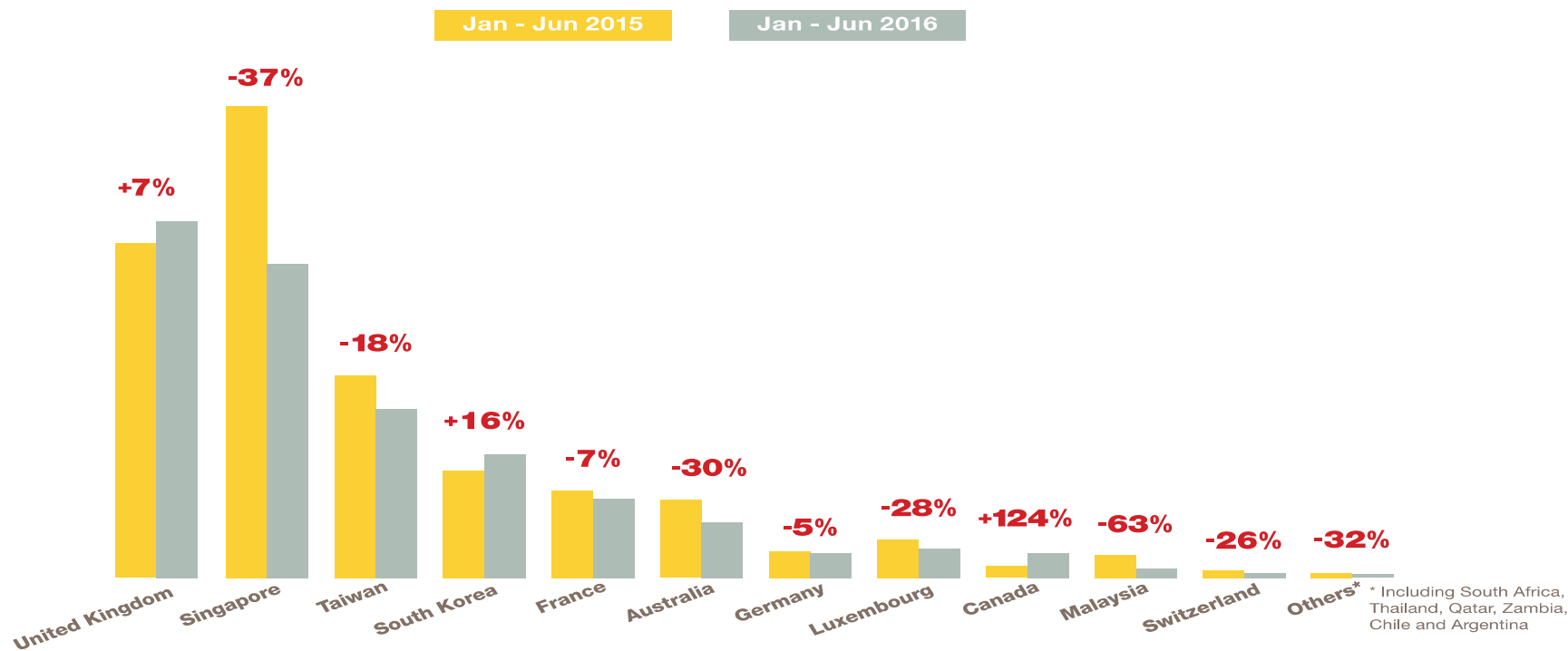


Three new Offshore Clearing Centres appointed since September 2015

Evolution of RMB payments value in economies with RMB clearing centres

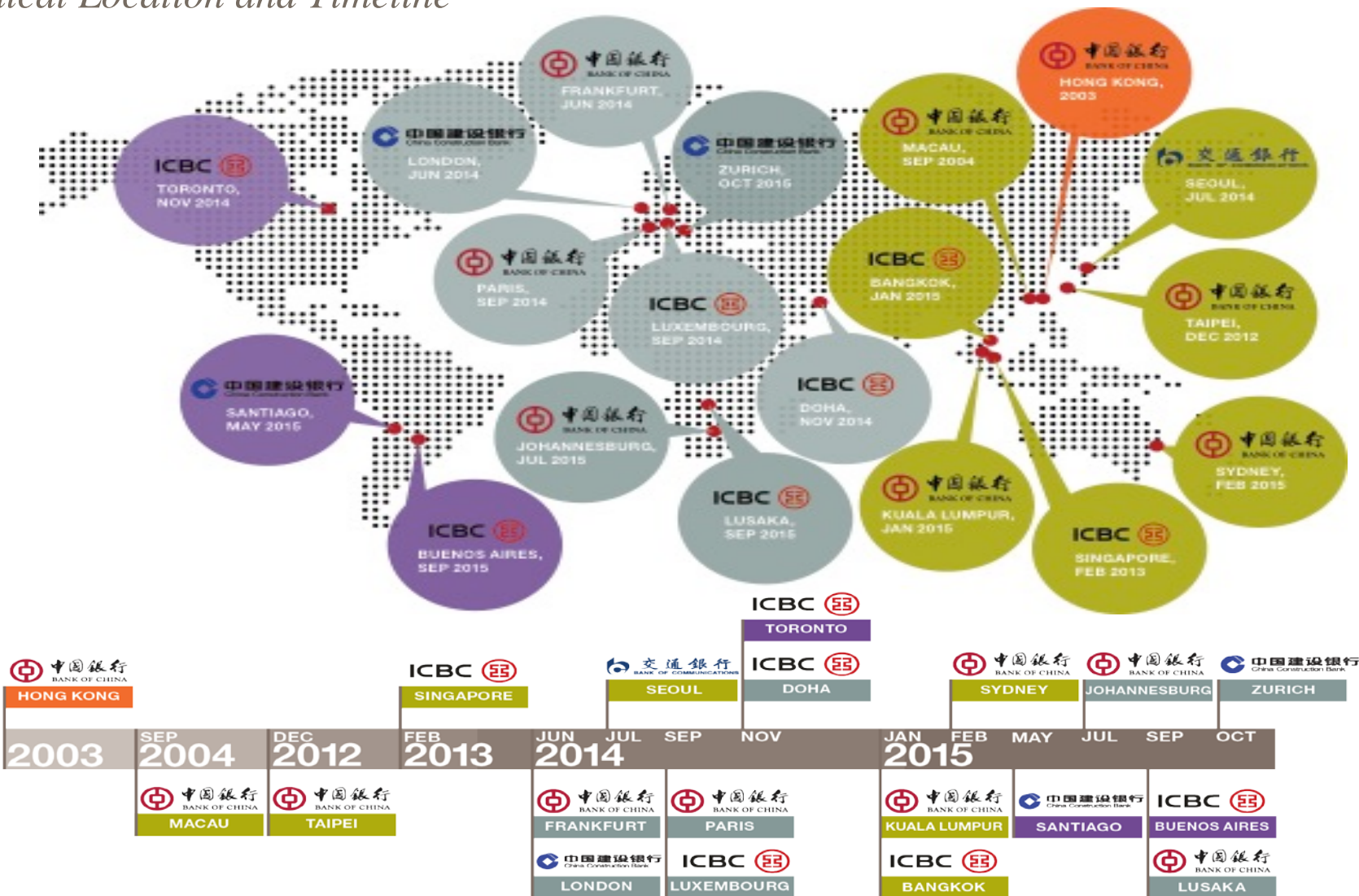
Payments sent and received by value, excluding China and Hong Kong

Please note, for the purpose of the following chart, Hong Kong has been removed from the list to show at a comparable scale the evolution of the other RMB clearing centres.



Official RMB Clearing Banks appointed by People's Bank of China

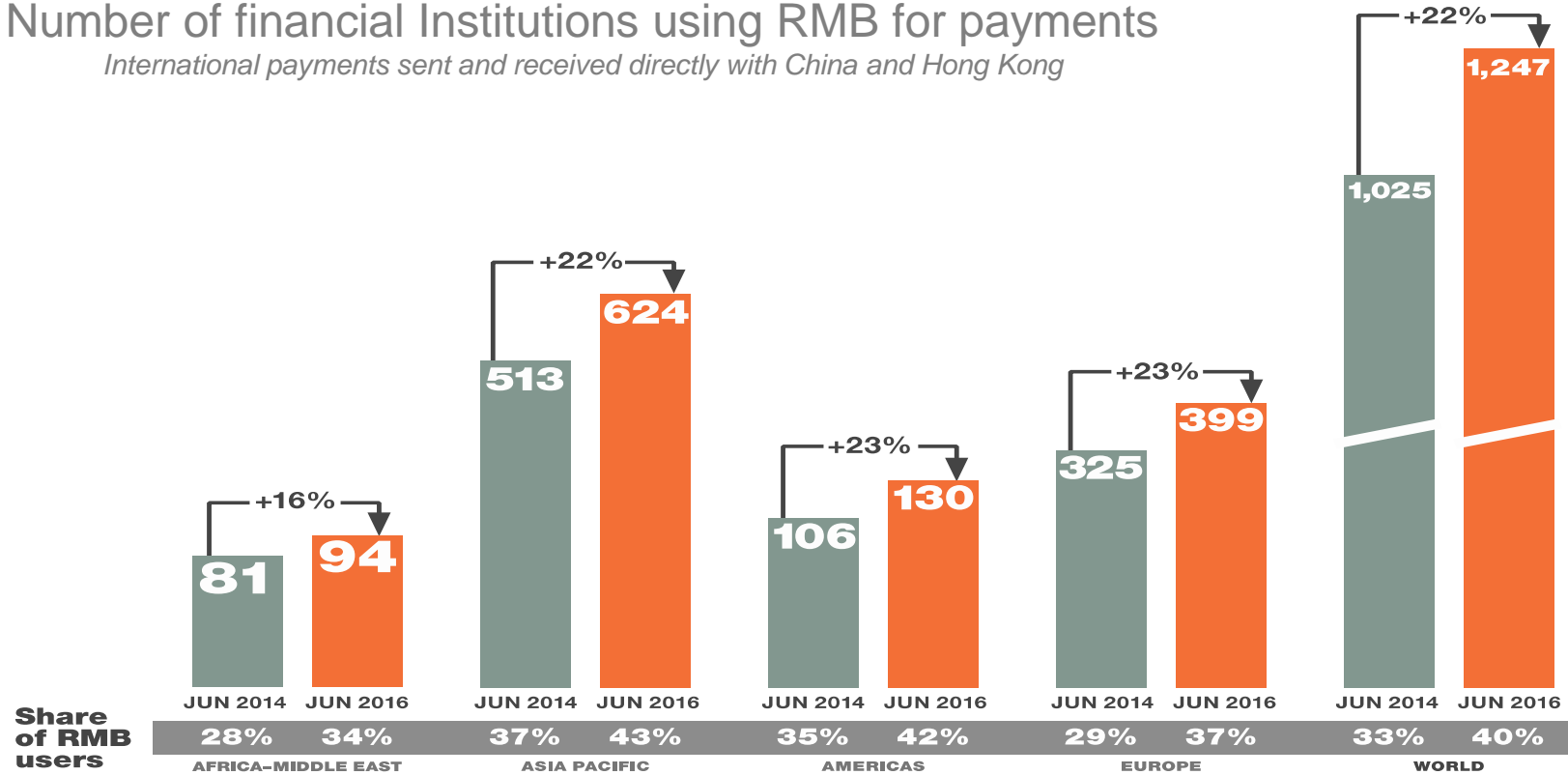
Geographical Location and Timeline



RMB adoption across financial institutions continues to grow

Number of financial Institutions using RMB for payments

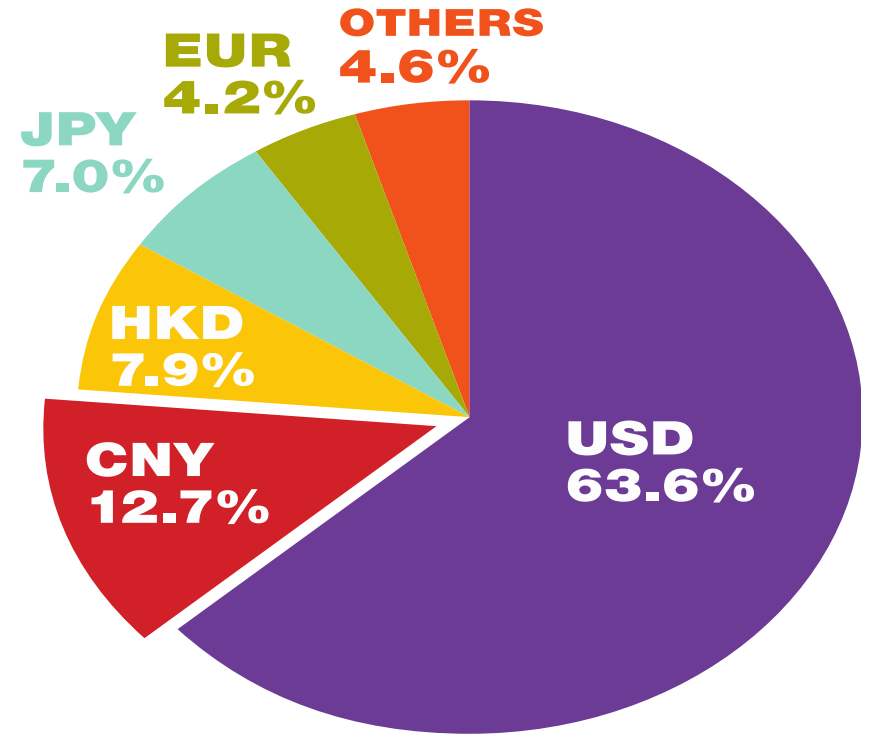
International payments sent and received directly with China and Hong Kong



US Dollar continues to be the leading currency for cross border payments done with China and Hong Kong

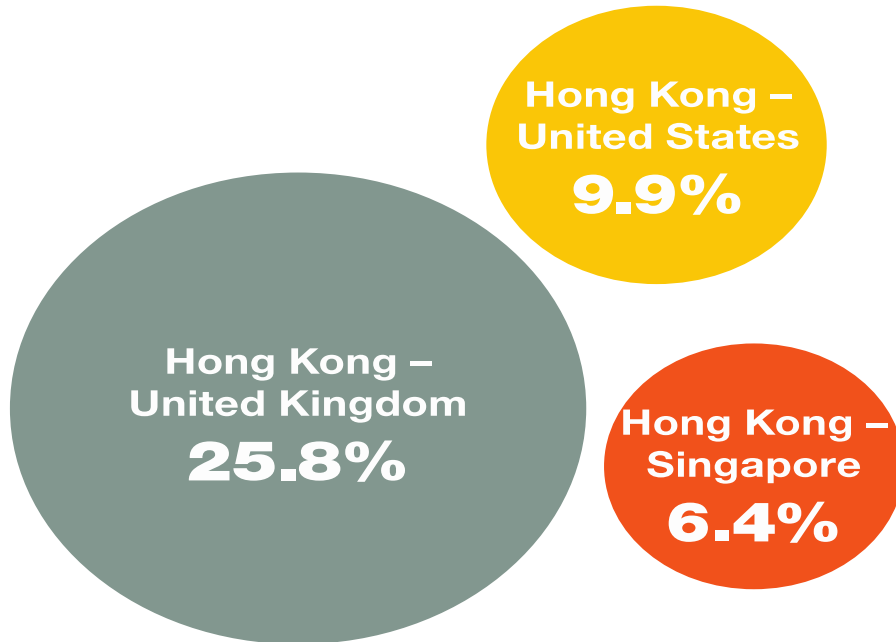
Currency usage for cross border payments done with China and Hong Kong

International payments sent and received by value with China and Hong Kong. YTD June 2016.



Top RMB corridors for cross border payments

International payments by value, June 2016.



Want to know more?

SWIFT enables **YOU** to gain unique insights at any time on the RMB progresses in becoming an international currency:

- Market intelligence
- Your financial institution activity
- Your activity share and/or peer benchmark

Key resources for more information:

- [RMB Package](#)
- [Business Intelligence solutions](#)

Linked in [Business Intelligence Transaction Banking](#)

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